# Wells Fargo Securities, LLC

Form CRS Relationship Summary

June 30, 2020

**Overview**

Form CRS provides information to help you make an informed decision about whether or not to transact with us, and how. This document contains important information about our firm and will prepare you for conversations with our investment professionals.

**About our firm**

Wells Fargo Securities, LLC (WFS) is registered with the U.S. Securities and Exchange Commission (SEC) as a broker-dealer. Brokerage and investment advisory services and fees differ. It is important for you to understand the differences.

**Access educational tools**

Free and simple tools are available for you to research firms and financial professionals at Investor.gov/CRS, a website that is maintained by the SEC. These tools provide educational materials about broker-dealers, investment advisers, and investing.

**Accessing links in this document**

Any link within this document that does not provide an expanded web address can be accessed by visiting https://www.wellsfargo.com/assets/pdf/commercial/securities/regulatory.

## What investment services can you provide me?

WFS primarily serves corporate, government, and institutional customers by providing comprehensive investment banking, merger and acquisition advisory services, fixed income and equity sales and trading, investment research, and related services. WFS offers limited brokerage, custody and financial advisory services to retail customers through its Markets Division and Fixed Income Middle Market Sales, Special Equities, Equities, and Equity Capital Markets and Private Placements groups. These groups enable retail customers to purchase and sell fixed-income and equity securities and certain equity derivatives. We do not offer margin accounts, investment advisory accounts, discretionary managed accounts, or account monitoring services. You will always make the ultimate decision to buy, sell, or hold an investment and may accept or reject any investment recommendation.

**Fixed Income Middle Market Sales:** We offer fixed income investment products including U.S Treasury securities, agency securities, corporate bonds, municipal bonds, short duration fixed income mutual funds, money market mutual funds, and brokered certificates of deposit. Our service offering consists primarily of bank safekeeping services made available through Wells Fargo Bank, N.A.

**Special Equities:** We offer directed share purchase (DSP) plans to issuers and open individual customer accounts to facilitate the purchase and sale of securities in initial public offerings, follow on offerings, tender offers and secondary market transactions. Accounts are opened with a WFS affiliate for the delivery of securities. We generally do not provide recommendations before or after delivery of the securities. Rule 10b5-1 plans are offered to customers under which they may purchase or sell securities. Recommendations may be made with respect to the general terms established for a particular 10b5-1 plan, but generally will not be made with respect to a particular purchase or sale.

**Equities:** As agent on behalf of Wells Fargo Bank, N.A. (WFBNA), we offer over-the-counter (OTC) custom options including calls and puts on equity securities and equity securities indexes, equity collars and variable forward sales to customers for purposes of hedging risks or providing liquidity with respect to concentrated common stock positions. No investment recommendations are made in connection with this activity and each customer confirms in writing that their investment decision will be made in consultation with their own independent advisers. Customers further confirm in writing their agreement and understanding that we are not acting as a fiduciary in connection with these transactions.

**Equity Capital Markets and Private Placements:** We provide advice in connection with public and private offerings of securities, and, if mandated, underwrite, or serve as placement agent in, the sale of those securities.

**For additional information, please see:**

https://www.wellsfargo.com/assets/pdf/commercial/securities/regulatory/regulation-best-interest.pdf

**Questions to guide your conversations with us:**

- Given my financial situation, should I choose a brokerage service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

## What fees will I pay?

In a brokerage account, the fees that you pay and/or compensation that WFS will earn is based on the specific transaction and not the value of your account. The amount of the transaction charge for a particular transaction depends on the nature of the transaction, type of securities or product you buy or sell, how much you buy or sell, and other market factors. Because you would be charged more when there are more trades in your account, we have an incentive to encourage you to trade often.

**Fixed Income Middle Market Sales:** We typically receive mark-ups/mark-downs on the purchase or sale of fixed income securities, Rule 12b-1 fees in connection with short duration fixed income and money market mutual funds, and

placement fees from the sale of brokered certificates of deposit.

**Special Equities:** For securities underwriting, we typically receive compensation based on the difference between the price paid by us for the securities and the price that the securities are offered to investors (gross spread) in any equity offering. We typically receive commissions with respect to purchases or sales under Rule 10b5-1 plans or other secondary market transactions.

**Equities:** We typically receive a portion of the income earned by WFBNA on equity derivative transactions and other financial instruments or activities. In any instances where we borrow fully paid securities from retail customers, we typically provide compensation to those customers and receive compensation from the customers to whom we loan those securities.

**Equity Capital Markets and Private Placements:** For securities underwriting, we typically receive a gross spread in any equity offering. For private placements, we typically receive compensation based on a percentage of the proceeds paid to the issuer from the sale of securities.

***You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.***

**More detailed information about your fees and costs are provided at**
https://www.wellsfargo.com/assets/pdf/commercial/securities/regulatory/regulation-best-interest.pdf

**Questions to guide your conversations with us:**
- Help me understand how these fees and costs might affect my investments. If I give you $10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

## What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?

*When we provide you with a recommendation***,** we have to act in your best interest and not put our interest ahead of yours.[1] At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations we provide you. Here are some examples to help you understand what this means.

- Proprietary Products: We and our affiliates make more money if we recommend, and you purchase, a Wells Fargo-sponsored product instead of a third-party product.
- Principal Trading: We earn a profit on trades where we act as principal in buying or selling investments from or to you or our own accounts, rather than acting as agent in placing your trades in the market. We therefore have an incentive to encourage you to execute trades as principal.

**Questions to guide your conversations with us:**
- How might your conflicts of interest affect me, and how will you address them?

**How we make money may conflict with your interests. For more information visit:**
https://www.wellsfargo.com/assets/pdf/commercial/securities/regulatory/regulation-best-interest.pdf

## How do your financial professionals make money?

The compensation your investment professional receives depends on several factors:

- The type of product purchased or sold, the principal amount of the fixed income security or number of shares of stock purchased or sold, commissions, and a percentage of the revenue the firm earns from services and recommendations.
- In a brokerage relationship, investment professionals are generally compensated for each transaction in your account. Therefore, investment professionals have an incentive to provide investment recommendations that result in selling more investment products and services, and investment products and services that carry higher fees.
- Investment professionals may be eligible for annual or ongoing bonuses, deferred compensation awards or increased payouts based upon the revenue generated by all of the accounts they service.

## Do you or your financial professionals have legal or disciplinary history?

Yes. Visit https://www.investor.gov/CRS for a free and simple search tool that you can use to research the firm and our financial professionals.

**Questions to guide your conversations with us:**
- As a financial professional, do you have any disciplinary history? For what type of conduct?

## Where can I find additional information?

You can always ask your financial professional for more information about our brokerage services or for a copy of Form CRS. You can also request a copy of Form CRS by calling (800) 645-3751 Option 5 or print the Form from:
https://www.wellsfargo.com/assets/pdf/commercial/securities/regulatory/form-crs.pdf
You can view our Regulation Best Interest Disclosure here:
https://www.wellsfargo.com/assets/pdf/commercial/securities/regulatory/regulation-best-interest.pdf

**Questions to guide your conversations with us:**
- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?

[1] Statements in this summary (including our obligation to act in your best interest when making a securities recommendation) (i) are required by SEC Form CRS, summary in nature and limited in substance and size by SEC Form CRS; (ii) relate only to our obligations under SEC Regulation Best Interest, (iii) do not create or modify any agreement, relationship or obligation between you and us or our financial professionals; and (iv) are subject to the more complete terms and conditions of our brokerage agreements and disclosures.